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Attorneys for Plaintiffs

IN THE UNITED STATES DISTRICT COURT
 FOR THE CENTRAL DISTRICT OF CALIFORNIA
 SOUTHERN DIVISION

A&B BEVERAGE COMPANY, LLC; A.)	CASE NO. 2:15-CV-03548
CAPPIONE, INC.; ADAMS BEVERAGES OF NY,)	
LLC; AJAX TURNER COMPANY, INC.;)	COMPLAINT FOR:
AMERICAN EAGLE DISTRIBUTING, CO.; ARK)	
VALLEY DISTRIBUTING, INC.; ARTHUR R.)	1. INTERFERENCE WITH
GREN COMPANY, INC.; BOB RALPH DIST. CO.,)	CONTRACTUAL RELATIONS;
INC.; BROWN DISTRIBUTING COMPANY, INC.;)	AND
CARDIN DISTRIBUTING COMPANY; CENTRAL)	
DISTRIBUTORS INC.; CITY BEVERAGE)	2. MISAPPROPRIATION OF TRADE
COMPANY, INC.; CLARK DISTRIBUTING)	SECRETS (CAL. CIV. CODE §
COMPANY, INC.; CLARKE DISTRIBUTORS,)	3436 ET SEQ.
INC.; COUNTY DISTRIBUTING CO., INC.; DANA)	
DISTRIBUTORS INC.; DEMO DISTRIBUTORS,)	
INC.; DUTCHESS BEER DISTRIBUTORS, INC.;)	[DEMAND FOR JURY TRIAL]
EAGLE BEVERAGE CORPORATION; ED F.)	
DAVIS, INC.; FARRELL DISTRIBUTING)	
CORPORATION; FEDERAL DISTRIBUTORS,)	
INC.; FLINT HILLS BEVERAGE, LLC; G.)	
HOUSEN & COMPANY, INC.; GREAT RIVERS)	
DISTRIBUTING COMPANY, INC.; GREAT STATE)	
BEVERAGES, INC.; HOCH, INC. d/b/a H&H)	
DISTRIBUTING; HOFFMAN BEVERAGE CO.;)	
HOUSE OF SCHWAN, INC.; J.F. FICK, INC.; L&H)	
DISTRIBUTING COMPANY, INC.; LAKE)	
BEVERAGE CORPORATION; LAMONICA)	
BEVERAGES INC.; LUECKE DISTRIBUTING)	
COMPANY, INC.; M. PRICE DISTRIBUTING CO.;)	
MAGIC CITY BEVERAGE CO. INC.; MAINE)	
DISTRIBUTORS; MULLALLY DISTRIBUTING)	
CO., INC.; NATIONAL DISTRIBUTORS, INC.;)	
NEMONT BEVERAGE CORPORATION; NEW)	
HAMPSHIRE DISTRIBUTORS, LLC; NORTHERN)	

SHAFER, GOLD & RUBAUM, LLP
ATTORNEYS AT LAW

EAGLE BEVERAGES, INC.; O'MALLEY)
BEVERAGE, INC.; O'MALLEY BEVERAGE OF)
KANSAS, INC.; OWEGO BEVERAGE COMPANY,)
LLC d/b/a EAGLE BEVERAGE COMPANY;)
PESTINGER DISTRIBUTING CO., INC.; QUEEN)
CITY BEVERAGE, INC. d/b/a BRAUN)
DISTRIBUTING; R.A. JEFFERIES DISTRIBUTING)
COMPANY, LLC; R.H. BARRINGER)
DISTRIBUTING CO., INC.; RIVER EAGLE)
DISTRIBUTING CO.; R.L. LIPTON)
DISTRIBUTING, LLC; ROCCO J. TESTANI, INC.;)
SANDHILLS DISTRIBUTING LLC; SANZO)
BEVERAGE CO., INC.; SARATOGA EAGLE)
SALES & SERVICE, INC.; SENECA WHOLESALE)
COMPANY, INC.; STANDARD SALES)
COMPANY, L.P.; STRATHMAN SALES)
COMPANY, INC.; SUPERIOR BEVERAGE CO.;)
UNITED BEVERAGE CO., LP; VALLEY)
DISTRIBUTORS, INC.; VENTURE SOUTH)
DISTRIBUTORS, INC. d/b/a CENTENNIAL)
DISTRIBUTING; VIDRICKSEN DISTRIBUTING)
COMPANY, INC.; VIRGINIA EAGLE)
DISTRIBUTING COMPANY, LLC; VOLUNTEER)
DISTRIBUTING COMPANY, INC.; WESTERN)
BEVERAGE, INC.; WIL FISCHER DISTRIBUTING)
CO.; AND WIL FISCHER DISTRIBUTING OF)
KANSAS, LLC,)

Plaintiffs,

v.

THE COCA-COLA COMPANY,

Defendant.

Plaintiffs, A&B Beverage Company, LLC, A. Cappione, Inc., Adams
Beverages of NC LLC, Ajax Turner Company, Inc., American Eagle Distributing,
Co., Ark Valley Distributing, Inc., Arthur R. Gren Company, Inc., Bob Ralph Dist.
Co., Inc., Brown Distributing Company, Inc., Cardin Distributing Company,
Central Distributors Inc., City Beverage Company, Inc., Clark Distributing
Company, Inc., Clarke Distributors, Inc., County Distributing Co., Inc., Dana

1 Distributors Inc., Demo Distributors, Inc., Dutchess Beer Distributors, Inc., Eagle
 2 Beverage Corporation, Ed F. Davis, Inc., Farrell Distributing Corporation, Federal
 3 Distributors, Inc., Flint Hills Beverage, LLC, G. Housen & Company, Inc., Great
 4 Rivers Distributing Company, Inc., Great State Beverages, Inc., Hoch, Inc. d/b/a
 5 H&H Distributing, Hoffman Beverage Co., House of Schwan, Inc., J.F. Fick, Inc.,
 6 L&H Distributing Company, Inc., Lake Beverage Corporation, LaMonica
 7 Beverages Inc., Luecke Distributing Company, Inc., M. Price Distributing Co.,
 8 Magic City Beverage Co. Inc., Maine Distributors, Mullally Distributing Co., Inc.,
 9 National Distributors, Inc., Nemont Beverage Corporation, New Hampshire
 10 Distributors, LLC, Northern Eagle Beverages, Inc., O'Malley Beverage, Inc.,
 11 O'Malley Beverage of Kansas, Inc., Owego Beverage Company, LLC d/b/a Eagle
 12 Beverage Company, Pestinger Distributing Co., Inc., Queen City Beverage, Inc.
 13 d/b/a Braun Distributing, R.A. Jefferies Distributing Company, LLC, R.H.
 14 Barringer Distributing Co., Inc., River Eagle Distributing Co., R.L. Lipton
 15 Distributing, LLC, Rocco J. Testani, Inc., Sandhills Distributing LLC, Sanzo
 16 Beverage Co., Inc., Saratoga Eagle Sales & Service, Inc., Seneca Wholesale
 17 Company, Inc., Standard Sales Company, L.P., Strathman Sales Company, Inc.,
 18 Superior Beverage Co., United Beverage Co., LP, Valley Distributors, Inc.,
 19 Venture South Distributors, Inc. d/b/a Centennial Distributing, Vidricksen
 20 Distributing Company, Inc., Virginia Eagle Distributing Company, LLC,
 21 Volunteer Distributing Company, Inc., Western Beverage, Inc., Wil Fischer
 22 Distributing Co., Wil Fischer Distributing of Kansas, LLC, (collectively
 23 "Plaintiffs"), by their attorneys Shaffer, Gold & Rubaum, LLP, as and for their
 24 complaint against The Coca-Cola Company ("CCC") allege as follows:
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THE NATURE OF THE CASE

1
2 1. This lawsuit arises out of CCC's intentional inference with
3 distribution agreements ("Agreements") entered into between the Plaintiffs, family
4 owned beverage distributors, and Monster Energy Company, f/k/a Hansen
5 Beverage Company's ("Monster"), a \$10 billion energy drink manufacturer based
6 in California. Driven by a desire to capitalize on the tremendous growth in
7 Monster's energy drink sales revenues, resulting in large part from the efforts of
8 Plaintiffs and other similarly situated Anheuser-Busch distributors, in or about
9 August 2014, CCC entered into an agreement with Monster to purchase a 17%
10 interest in Monster's business for the amount of \$2.15 billion ("CCC Agreement").
11 Attempting to seize upon and convert the tremendous goodwill and proprietary
12 information that Plaintiffs have developed in their respective territories, as part of
13 the CCC Agreement, CCC required that Monster terminate those Anheuser-Busch
14 (including Plaintiffs) distributors in locations where CCC already had a competing
15 distribution network and where state franchise laws did not explicitly prohibit
16 termination, and appoint those distributors currently in CCC's distribution network
17 ("CCC Distributors"). Accordingly, upon closing of its transaction with CCC
18 ("CCC Transaction"), Monster, as required by the CCC Agreement, terminated
19 those Agreements, including Plaintiffs' Agreements.
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23

24 2. Prior to CCC's inducement of termination, the relationships between
25 the Plaintiffs and Monster was a successful business relationship that by all
26 accounts was poised to last the entire 20 year term of the Agreements and renew
27 thereafter. In fact, due in large part to the efforts of Plaintiffs, Monster grew from
28

1 a run-of-the-mill brand into a premier energy drink company valued at over \$10
2 billion. Those efforts included the devotion of significant time and resources to get
3 Monster energy drink products (“Monster Products”) on store shelves and into
4 restaurants and bars, where it could be visible to the public. It was this growth into
5 a premiere energy drink brand, due in large part to the efforts of Plaintiffs and
6 other similarly situated Anheuser-Busch distributors, which caused CCC to enter
7 into the CCC Agreement in the first place. Nevertheless, disregarding all of the
8 expenditures made by Plaintiffs, CCC callously interfered with the Agreements
9 and caused them to be terminated. Not only has CCC caused the Agreements to be
10 terminated, but upon termination, upon information and belief, CCC has acquired
11 and transferred to each of the CCC Distributors, confidential, proprietary and trade
12 secret information owned by Plaintiffs.
13
14

15 3. Accordingly, Plaintiffs bring this action in order to obtain judgment
16 that, *inter alia*, CCC has (i) intentionally interfered with the Agreements and (ii)
17 violated Cal. Civ. Code § 3426, *et seq.* Plaintiffs seek damages to compensate
18 Plaintiffs for the loss of the distribution rights to the Monster Products as a result
19 of CCC’s interference.
20
21

22 THE PARTIES

23 4. Plaintiff, A&B Beverage Company, LLC is an Oklahoma limited
24 liability company with its principal place of business located at 3901 Tull Ave.,
25 Muskogee, Oklahoma.
26

27 5. Plaintiff, A. Cappione, Inc. is a New York State corporation with its
28 principal place of business located at 52-54 Liberty Avenue, Massena, New York.

1 6. Plaintiff, Adams Beverages of NC LLC is a North Carolina limited
2 liability company with its principal place of business located at 7505 Statesville
3 Road, Charlotte, North Carolina.

4 7. Plaintiff, Ajax Turner Company, Inc. is a Tennessee corporation with
5 its principal place of business located at 4010 Centre Pointe Way, La Vergne,
6 Tennessee.

7 8. Plaintiff, American Eagle Distributing, Co. is a Colorado corporation
8 with its principal place of business located at 3800 Clydesdale Pkwy, Loveland,
9 Colorado.

10 9. Plaintiff, Ark Valley Distributing, Inc. is a Kansas corporation with its
11 principal place of business located at 7748 2nd Avenue Strother Field, Arkansas
12 City, Kansas.

13 10. Plaintiff, Arthur R. Gren Company, Inc. is a New York State
14 corporation with its principal place of business located at 1886 Mason Drive,
15 Jamestown, New York.

16 11. Plaintiff, Bob Ralph Dist. Co., Inc. is a Missouri corporation with its
17 principal place of business located at 115 Larcel Drive, Sikeston, Missouri.

18 12. Plaintiff, Brown Distributing Company, Inc. is a Virginia corporation
19 with its principal place of business located at 7986 Villa Park Dr., Richmond,
20 Virginia.

21 13. Plaintiff, Cardin Distributing Company is a Tennessee corporation
22 with its principal place of business located at 1219 West College Street, Pulaski,
23 Tennessee.

1 14. Plaintiff, Central Distributors Inc. is a Tennessee corporation with its
2 principal place of business located at P.O. Box 1762, Jackson, Tennessee.

3 15. Plaintiff, City Beverage Company, Inc. is a Kansas corporation with
4 its principal place of business located at 2 South Kirby, Hutchinson, Kansas.

5 16. Plaintiff, Clark Distributing Company, Inc. is a Tennessee corporation
6 with its principal place of business located at 1300 Hwy 51 Bypass South,
7 Dyersburg, Tennessee.

8 17. Plaintiff, Clarke Distributors, Inc. is a New Hampshire corporation
9 with its principal place of business located at 472 Winchester Street, Keene, New
10 Hampshire.

11 18. Plaintiff, County Distributing Co., Inc. is a Missouri corporation with
12 its principal place of business located at 1800 Eagleview Drive, Sedalia, Missouri.

13 19. Plaintiff, Dana Distributors Inc. is a New York State corporation with
14 its principal place of business located at 52 Hatfield Lane, Goshen, New York.

15 20. Plaintiff, Demo Distributors, Inc. is a Kansas corporation with its
16 principal place of business located at 202 W. 5th Ave., El Dorado, Kansas.

17 21. Plaintiff, Dutchess Beer Distributors, Inc. is a New York State
18 corporation with its principal place of business located at 5 Laurel Street,
19 Poughkeepsie, New York.

20 22. Plaintiff, Eagle Beverage Corporation is a Kansas corporation with its
21 principal place of business located at 250 N. Cayuga, Frontenac, Kansas.

22 23. Plaintiff, Ed F. Davis, Inc. is an Oklahoma corporation with its
23 principal place of business located at 2600 Westside Drive, Durant, Oklahoma.

1 24. Plaintiff, Farrell Distributing Corporation is a Vermont corporation
2 with its principal place of business located at 5 Holmes Road, South Burlington,
3 Vermont.

4 25. Plaintiff, Federal Distributors, Inc. is a Maine corporation with its
5 principal place of business located at 2075 Lisbon Road, Lewiston, Maine.
6

7 26. Plaintiff, Flint Hills Beverage, LLC is a Kansas limited liability
8 company with its principal place of business located at 132 W. Market St., Osage
9 City, Kansas.
10

11 27. Plaintiff, G. Housen & Company, Inc. is a Vermont corporation with
12 its principal place of business located at 1568 Putney Road, Brattleboro, Vermont.

13 28. Plaintiff, Great Rivers Distributing Company, Inc. is a Missouri
14 corporation with its principal place of business located at 4232 ODC 1060,
15 Pomona, Missouri.
16

17 29. Plaintiff, Great State Beverages, Inc. is a New Hampshire corporation
18 with its principal place of business located at 1000 Quality Drive, Hooksett, New
19 Hampshire.
20

21 30. Plaintiff, Hoch, Inc. d/b/a H&H Distributing is a Nebraska corporation
22 with its principal place of business located at 4221 Juergen Road, Grand Island,
23 Nebraska.

24 31. Plaintiff, Hoffman Beverage Co. is a Virginia corporation with its
25 principal place of business located at 5465 Greenwich Road, Virginia Beach,
26 Virginia.
27

28 32. Plaintiff, House of Schwan, Inc. is a Kansas corporation with its

1 principal place of business located at 3636 N. Comotara, Wichita, Kansas.

2 33. Plaintiff, J.F. Fick, Inc. is a Virginia corporation with its principal
3 place of business located at 224 Industrial Court, Fredericksburg, Virginia.

4 34. Plaintiff, L&H Distributing Company, Inc. is a Tennessee corporation
5 with its principal place of business located at 1309 North Washington Street,
6 Tullahoma, Tennessee.

7 35. Plaintiff, Lake Beverage Corporation is a New York State corporation
8 with its principal place of business located at 900 John St., West Henrietta, New
9 York.

10 36. Plaintiff, LaMonica Beverages Inc. is an Illinois corporation with its
11 principal place of business located at 4060 Rock Valley Parkway, Loves Park,
12 Illinois.

13 37. Plaintiff, Luecke Distributing Company, Inc. is a Missouri corporation
14 with its principal place of business located at 432 E. Outer Road, Popular Bluff,
15 Missouri.

16 38. Plaintiff, M. Price Distributing Co. is a Virginia corporation with its
17 principal place of business located at 1 Budweiser Street, Hampton, Virginia.

18 39. Plaintiff, Magic City Beverage Co. Inc. is a North Dakota corporation
19 with its principal place of business located at 3025 Burdick Expressway, East
20 Minot, North Dakota.

21 40. Plaintiff, Maine Distributors is a Maine corporation with its principal
22 place of business located at 5 Coffey Street, Bangor, Maine.

23 41. Plaintiff, Mullally Distributing Co., Inc. is a Missouri corporation
24

1 with its principal place of business located at 1401 Martin Street, Cuba, Missouri.

2 42. Plaintiff, National Distributors, Inc. is a Maine corporation with its
3 principal place of business located at 116 Wallace, South Portland, Maine.

4 43. Plaintiff, Nemont Beverage Corporation is a Montana corporation
5 with its principal place of business located at 172 Hwy. 24 North, Glasgow,
6 Montana.

7 44. Plaintiff, New Hampshire Distributors, LLC is a New Hampshire
8 limited liability Company with its principal place of business located at 65
9 Regional Drive, Concord, New Hampshire.

10 45. Plaintiff, Northern Eagle Beverages, Inc. is a New York State
11 corporation with its principal place of business located at 7 Railroad Ave.,
12 Oneonta, New York.

13 46. Plaintiff, O'Malley Beverage, Inc. is a Missouri corporation with its
14 principal place of business located at 1601 North Woodbine, St. Joseph, Missouri.

15 47. Plaintiff, O'Malley Beverage of Kansas, Inc. is a Kansas corporation
16 with its principal place of business located at 2050 Packer Court, Lawrence,
17 Kansas.

18 48. Plaintiff, Owego Beverage Company, LLC d/b/a Eagle Beverage
19 Company is a New York State limited liability company with its principal place of
20 business located at 1043 County Route 25, Oswego, New York.

21 49. Plaintiff, Pestinger Distributing Co., Inc. is a Kansas corporation with
22 its principal place of business located at 3039 U.S. Hwy 24, Beloit, Kansas.

23 50. Plaintiff, Queen City Beverage, Inc. d/b/a Braun Distributing is a
24

1 North Dakota corporation with its principal place of business located at 153 26th
2 Street West, Dickinson, North Dakota.

3 51. Plaintiff, R.A. Jefferies Distributing Company, LLC is a North
4 Carolina limited liability company with its principal place of business located at
5 420 Civic Blvd., Raleigh, North Carolina.

6
7 52. Plaintiff, R.H. Barringer Distributing Co., Inc. is a North Carolina
8 corporation with its principal place of business located at 1620 Fairfax Road,
9 Greensboro, North Carolina.

10
11 53. Plaintiff, River Eagle Distributing Co. is a Missouri corporation with
12 its principal place of business located at 2346 Rust Ave., Cape Girardeau,
13 Missouri.

14
15 54. Plaintiff, R.L. Lipton Distributing, LLC is an Ohio limited liability
16 company with its principal place of business located at 425 Victoria Road, Suite B,
17 Austintown, Ohio.

18
19 55. Plaintiff, Rocco J. Testani, Inc. is a New York State corporation with
20 its principal place of business located at 29 Phelps St., Binghamton, New York.

21
22 56. Plaintiff, Sandhills Distributing LLC is a Nebraska limited liability
23 company with its principal place of business located at 720 Lake Dr., North Platte,
24 Nebraska.

25
26 57. Plaintiff, Sanzo Beverage Co., Inc. is a New York State corporation
27 with its principal place of business located at 3165 Route 16 N., Olean, New York.

28
58. Plaintiff, Saratoga Eagle Sales & Service, Inc. is a New York State
corporation with its principal place of business located at 45 Duplainville Road,

1 Saratoga Springs, New York.

2 59. Plaintiff, Seneca Wholesale Company, Inc. is a Kansas corporation
3 with its principal place of business located at 36 South 8th Street, Seneca, Kansas.

4 60. Plaintiff, Standard Sales Company, L.P. is a limited partnership with
5 its principal place of business located at 4800 E. 42nd Street, Odessa, Texas.

6 61. Plaintiff, Strathman Sales Company, Inc. is a Kansas corporation with
7 its principal place of business located at 4235 SW Burlingame Rd., Topeka,
8 Kansas.

9 62. Plaintiff, Superior Beverage Co. is an Illinois corporation with its
10 principal place of business located at 1070 Orchard Rd., Montgomery, Illinois.

11 63. Plaintiff, United Beverage Co., LP is a limited partnership with its
12 principal place of business located at 1903 Woodland Ave., Kansas City, Missouri.

13 64. Plaintiff, Valley Distributors, Inc. is a Maine corporation with its
14 principal place of business located at 534 Belgrade Rd., Oakland, Maine.

15 65. Plaintiff, Venture South Distributors, Inc. d/b/a Centennial
16 Distributing is an Idaho corporation with its principal place of business located at
17 1640 Kimberly Road, Twin Falls, Idaho.

18 66. Plaintiff, Vidricksen Distributing Company, Inc. is a Kansas
19 corporation with its principal place of business located at 1825 Bailey Rd., Salina,
20 Kansas.

21 67. Plaintiff, Virginia Eagle Distributing Company, LLC is a Missouri
22 limited liability company with its principal place of business located at 827 Lee
23 Highway, Verona, Virginia.

1 §1332(a)(1) because Plaintiffs are a citizens of New York, Virginia, North
2 Carolina, North Dakota, Missouri, Kansas, Tennessee, Idaho, Illinois, Nebraska,
3 Montana, Maine, New Hampshire, Vermont, Oklahoma, Colorado, Ohio and CCC
4 is a citizen of Georgia, and the amount in controversy exceeds \$75,000, exclusive
5 of interests and costs.
6

7 76. Venue lies in this District pursuant to 28 U.S.C. §1391(b)(2) and
8 (b)(3).
9

10 **PLAINTIFFS' RELATIONSHIP WITH MONSTER**

11 77. Over the past decade Plaintiffs, each individually, purchased the
12 distribution rights to Monster Products in specified territories for the fair value at
13 that time. Upon purchasing the rights, each Plaintiff entered into virtually identical
14 distribution agreements with Monster ("Agreements") wherein each Plaintiff was
15 named the exclusive distributor for Monster Products in a specified territory. The
16 term of each of the Agreements was for 20 years. Monster's primary place of
17 business is in California, and as such the Agreements provided that they were
18 governed by California law. In addition, a significant portion of the performance
19 of the Agreements occurred within the state of California.
20

21
22 78. Since entering into the Agreements, Plaintiffs have helped to
23 transform the Monster brand into a premier energy drink brand, with an estimated
24 value of over \$10 billion.
25

26 79. Such growth came about due in large part to the investment of time,
27 effort and money by Plaintiffs.
28

80. In fact, as a result of the Plaintiffs' goodwill, including private and

1 proprietary account level information, Plaintiffs' continued investment in the
2 Monster brand and their efforts and hard work, sales of Monster Products have
3 increased dramatically in each Plaintiff's territory. Without the efforts of the
4 Plaintiffs, Monster would not have enjoyed the immense growth that it has in the
5 industry and the corresponding increase in value of its company.
6

7 81. Also by reason of the great success the Monster brands have achieved
8 in the industry through the efforts of the Plaintiffs, the value of distribution rights
9 for Monster products has also grown significantly.
10

11 CCC/MONSTER TRANSACTION

12 82. Upon information and belief, for many years CCC has been
13 attempting to become a major manufacturer in the energy drink industry, without
14 significant success. While CCC has introduced energy brand products, CCC and
15 the CCC Distributors have been unable to successfully compete with the major
16 energy drink brands, Monster and Red Bull.
17

18 83. Accordingly, desiring to increase its share of the energy drink market,
19 CCC sought to purchase an ownership interest in a successful energy drink brand.
20

21 84. As such, in or about August 2014, Monster and CCC entered into an
22 Agreement whereby CCC would purchase a 17% share of Monster for the amount
23 of \$2.15 billion.

24 85. However, rather than retain the distributors that contributed to the
25 success of the Monster brand, in agreeing to purchase an ownership interest in
26 Monster, CCC required that upon closing of the CCC Transaction, Monster would
27 terminate any Anheuser-Busch distributor in a specific territory where CCC had a
28

1 competing distribution network and where state franchise laws did not prohibit
2 termination, and appoint the CCC Distributors.

3 86. While the CCC Agreement was executed in August 2014, since the
4 CCC Transaction raised antitrust concerns, the closing of the CCC Transaction was
5 placed on hold until regulatory approval was received.
6

7 87. However, even though the CCC Transaction had not closed, CCC
8 continued its efforts to cause the termination of the Agreements.

9 88. In particular, in preparation for the termination of Plaintiffs'
10 Agreements, CCC required Monster to circulate drafts of distribution agreements
11 to the CCC Distributors.
12

13 89. In fact, upon information and belief, at the direction of CCC, several
14 of the CCC Distributors began distributing Monster Products in certain territories
15 bound by one or more of Plaintiffs' agreements with Monster, even though the
16 Plaintiff in each of those territories still retained the exclusive right to distribute
17 Monster Products in such territory.
18

19 90. Upon learning that CCC was attempting to induce the termination of
20 Plaintiffs' Agreements and that CCC Distributors were wrongfully distributing
21 Monster Products in certain territories, on or about December 23, 2014, Plaintiffs'
22 attorney sent a cease and desist letter to CCC notifying CCC that (i) its acts in
23 inducing a potential termination of Respondent's Agreement was an intentional
24 interference with contract; (ii) CCC should cease and desist from inducing such
25 terminations, and (iii) CCC Distributors must cease and desist from selling
26 Monster Products in Plaintiffs' exclusive territories.
27
28

91. To date, CCC has not responded to the CCC Desist Letter.

92. Instead, its scheme to cause the termination of the Agreements reached fruition on or about February 10, 2015, when Monster, in accordance with CCC's requirement in the CCC Agreement, issued termination notices to Plaintiffs, effective April 5, 2015 (and certain other dates for a small number of the Plaintiffs) (the "Termination Date").¹

93. Upon information and belief, as required by CCC, Monster contemporaneously entered into distribution agreements with the CCC Distributors, effective upon termination of the Agreements, and, upon information and belief, wrongfully caused the transfer of all confidential and proprietary information developed and owned by Plaintiffs to the CCC Distributors.

94. In addition, even though Plaintiffs continued to hold exclusive distribution rights in each of their territories until the Termination Date, upon information and belief, at the direction of CCC, several CCC Distributors continued to distribute Monster Products to Plaintiffs' exclusive customers, including Walmart.

FIRST CLAIM

(Intentional Interference with Contractual Relations)

95. Plaintiffs repeat and reallege the allegations contained in Paragraphs 1 through 94 as if more fully set forth at length herein.

96. When CCC entered into the CCC Agreement it was aware that Plaintiffs had 20 year term Agreements with Monster for the exclusive right to

¹ Monster purported to terminate the Agreements without cause pursuant to its terms. However, Plaintiffs' assert that they were wrongfully terminated, and such claims are being tried in arbitration before JAMS.

1 distribute Monster Products in specified territories.

2 97. Through the conduct set forth above, CCC acted so as to induce
3 Monster to terminate the Agreements.

4 98. CCC's acts have caused the termination and disruption of Plaintiffs'
5 Agreements.

6 99. Plaintiffs have been damaged by CCC's intentional interference with
7 the Agreements.

8 100. By reason of the foregoing, Plaintiffs have been damaged in an
9 amount to be determined at trial but no less than the fair market value of the
10 distribution rights to the Monster Products, which Plaintiffs believe, based on
11 industry standards, to be an amount between 6 and 7 times each Plaintiff's annual
12 gross profits generated from the Monster products, plus costs and attorneys' fees.

13
14
15
16 **SECOND CLAIM**
17 **(Misappropriation of Trade Secrets,**
18 **Cal. Civ. Code § 3426 *et seq.*)**

19 101. Plaintiffs repeat, reiterate and reallege each and every allegation set
20 forth in paragraphs 1 through 94 hereof with the same force and effect as if more
21 fully set forth at length herein.

22 102. Plaintiffs developed significant goodwill in a large customer base,
23 including private and proprietary account level information prior to entering into
24 the Agreement.

25 103. Plaintiffs goodwill, customer base and customer account level
26 information were created by Plaintiffs through years of hard work and substantial
27 financial investment.
28

104. Plaintiffs' customer account level information is a trade secret as it is information that provides Plaintiffs with an economic advantage and is not readily known to the public.

105. Plaintiffs have taken steps to ensure that this trade secret information is kept confidential.

106. Upon information and belief, CCC has misappropriated such confidential, proprietary trade secret information by improperly disclosing, and causing Monster to disclose, such information to the CCC Distributors who will in turn use that information to compete against Plaintiffs, post-termination, and as such, is in violation of Cal. Civ. Code § 3426 *et seq.*

107. By reason of the foregoing, Plaintiffs have been damaged in an amount to be determined at trial but no less than the fair market value of the distribution rights to the Monster Products, which Plaintiffs believe, based on industry standards, to be an amount between 6 and 7 times each Plaintiff's annual gross profits generated from the Monster products, plus costs and attorneys' fees.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs respectfully request judgment as follows:

1. On the First Claim, damages in an amount to be determined at trial but no less than the fair market value of the distribution rights to the Monster Products, which Plaintiffs believe, based on industry standards, to be an amount between 6 and 7 times each Plaintiff's annual gross profits generated from the Monster products, plus costs and attorneys' fees;

2. On the Second Claim, damages in an amount to be determined at trial but no less than the fair market value of the distribution rights to the Monster

1 Products, which Plaintiffs believe, based on industry standards, to be an amount
2 between 6 and 7 times each Plaintiff's annual gross profits generated from the
3 Monster products, plus costs and attorneys' fees;

4 3. Granting Plaintiffs their costs and attorneys' fees; and

5 4. Such other and further relief as this Court deems just and proper.
6

7 **JURY DEMAND**

8 Plaintiffs hereby demand a trial by jury on all claims raised in this matter.
9

10 Dated: May 12, 2015

Respectfully submitted,

11 SHAFFER, GOLD & RUBAUM, LLP
12

13
14 By: 

BARRY I. GOLD, ESQ.

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